

LITTLE MANUAL

FOR

SPECIAL DISTRICTS

UNDER \$50,000

Utah State Auditor's Office

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If you have any questions about this little manual, please call:

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(801) 538-1025

INTRODUCTION

The State Auditor's Office has compiled this little manual for special districts whose budgets are below \$50,000 a year to help them more fully meet their accountability to their constituents and comply with the law.

The State Auditor's Office also has a Uniform Accounting Manual (UAM) which is much more comprehensive; it should be used for areas not covered by this little manual. The UAM may be found on the internet at www.sao.state.ut.us.

Hopefully, this manual covers most of the areas, in brief form, that are important to small districts, either because the law requires compliance in those areas or because sound business practices require that attention be paid to them.

The last section in this manual provides a place for the district to keep its vital permanent records, such as: policies adopted by the board, real estate records, court decisions, employment and contractor contracts, and invoices of large purchases.

Please keep this little manual with your district records and pass it on to the individual taking your place.

We hope this little manual will help you in meeting your responsibilities, which are great and very much appreciated.

GOVERNING BOARD RESPONSIBILITIES

The governing board runs the district and is accountable to its constituents for everything the district does.

It is the board's duty to:

- Manage the district for the benefit of its constituents.
- Manage the district in compliance with law.
- Manage the district openly and democratically.

Generally, the following are areas of responsibility:

Budgeting
Accounting
Purchasing
Personnel

Meetings
Ethics
Nepotism
Records

Budgeting, accounting, purchasing, personnel, and records are discussed in this manual in their own sections. Meetings, ethics, nepotism, and other considerations are discussed in this section.

Meetings

Utah Code 52-4 addresses meetings. All meetings shall be open to the public, except for discussion of the following:

1. The character, competence or health of an individual.
2. Collective bargaining issues.
3. Pending or reasonably imminent litigation.

4. Purchase, exchange, lease, or sale of real property, if such discussion prevents the district from completing transaction on the best possible terms.
5. Deployment of security personnel, devices, or systems.
6. Investigative proceedings regarding allegations of criminal misconduct.

Remember, no ordinance, resolution, rule, regulation, contract, or appointment may be approved in a closed meeting.

The district should hold regular meetings and the board shall give public notice at least once a year of its meeting schedule, giving dates, time, and place.

If regular meetings are not held, the board shall give not less than 24 hours' public notice specifying the date, time, and place.

In addition the board shall give not less than 24 hours' notice of meeting agendas. We suggest that there always be an "Other Business" item on the agenda to allow for unforeseen issues that may arise.

(Public notice means written notice at the district's principal office or place where the meetings will be held, and providing notice to at least one newspaper of general circulation.)

Please see Utah Code 52-4-1 to 6 for details.

Written minutes shall be kept of all open meetings. They shall include date, time, place, names of board members present, the substance of matters proposed, discussed, and decided; votes taken by individual member; and the names of all citizens who appeared and the substance of their testimony.

For minutes of closed meetings, see Utah Code 52-4-7(2).

Minutes are public records and shall be available within a reasonable time after the meeting, and shall be retained.

Ethics

Utah Code 67-16 addresses ethics. Generally, ethics prohibit the acceptance; and, even the soliciting of gifts, compensation, or loans by a public officer or employee; it also deals with conflicts of interest. A public officer may accept an occasional gift having a value of \$50, or less. A conflict of interest may be allowed as long as full and proper disclosure of same was made. Please refer to the Code or your county attorney for specifics.

It is very important to understand this part of the Code because the penalties for violations are severe, as severe as a felony of the second degree in some cases.

Nepotism

Utah Code 52-3 addresses nepotism. Generally, it means that no public officer may employ, appoint, vote for, or recommend a relative for employment. Further, no public officer may directly supervise an appointee who is a relative. Relative means a father, mother, husband, wife, son, daughter, sister, brother, aunt, uncle, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.

There are several exceptions addressed in 52-3-1(2)(a). The most important exception is that the relative may be employed if he/she is the only person available, qualified, or eligible for the position. If the district is in a town, the prohibition against the employment of uncles, aunts, nephews, nieces, and cousins does not apply.

Other Considerations

Insurance - It would be wise to consider in which areas the district and its board members should be insured. The law requires a special district with an annual operating budget of at least \$50,000 to obtain liability insurance as considered appropriate by the board. The Utah Local Governments Trust was created by and for local governments in Utah to assist in meeting insurance needs. They will be glad to help you with insurance matters.

The Salt Lake City phone no. is (801) 936-6400.
The toll-free no. is 1-800-748-4440.

Utah Association of Special Districts - The association is dedicated to promoting the proper and efficient operation of all special districts in our state. It assists special districts in fulfilling their respective missions by informing governmental and public officials about special districts, promoting special district awareness, providing training and legislative updates, and input on current legislation. Membership is available for all special districts. For more information please contact:

Mr. Jan Furner, Executive Director
Utah Association of Special Districts
150 West 700 South
Heber City, UT 84032
(801) 560-4117

BUDGETING

Utah Code 17A-1-408 to 413; 416 to 418; 433; 501 and 502; all deal with budgeting.

It is required by law. It is also an important way for the public to have input on district expenditures and plans. Upon formal adoption, the budget constitutes spending authority for the district and a formal plan for spending. At adoption the district has legally bound itself to spend this much and no more. Any expenditures in excess of the budget are illegal expenditures, even if the district has money available to spend.

New budgets may be adopted during the budget year to increase the original budget; but, budgets may not be changed after the budget year end. Except for enterprise funds, such new adoptions have to follow the same procedures as the adoption of the original budget, including a public notice and hearing. For enterprise funds no public notice and hearing is required; the board must still adopt the new budget, however.

Districts are subject to "Truth-in-Taxation," which has to do with tax increases. Utah Code 59-2-918 and 919 deals with tax increases. For help in this area contact:

LaMar Sayer
Property Tax Division
State Tax Commission
(801) 297-3683

BUDGET CALENDAR

The budget process must be completed **before** the Budget Year begins. Following is a budget calendar for districts with a December 31 year end: (Those districts with a June 30 year end can easily convert the budget calendar for their purposes)

OCTOBER

The budget officer prepares a *tentative* budget for the board to review at its first meeting in November. That meeting is required by law.

NOVEMBER

At its first meeting in November the board shall:

1. Approve a *tentative* budget.
2. Set a budget hearing date.

During November or December, but at least 7 days before the hearing date, public notice must be given of the hearing.

(Public Notice means publication in at least one issue of a newspaper of general circulation. If the district's area has no newspaper of general circulation, then the notice may be posted in three public places.)

The *tentative* budget must be available to the public for seven days before the final adoption of the budget.

DECEMBER

1. Hold the hearing.
2. Formally adopt a final budget.
3. Send one original of the final budget (pink forms) to the State Auditor within 30 days. Keep the other original for district use and public inspection.

ACCOUNTING

Accounting is a fancy word for keeping track of money, other items of worth called assets, and what is owed to others. It is very important for the district to accurately keep track of such information, not only for its own use, but also to be able to be accountable to its constituents and to complete legally required reports.

Accounting need not be complicated. All it requires for small districts is a carefully kept, readable, and reconciled (to the bank statements) checkbook. The following should be done:

- 1 - All money coming into the district should be deposited in the checking account and recorded in the checkbook. (The only exception may be interest on savings or investments which automatically stays in that account.)
- 2 - All payments made by the district should be made by check.
(No exceptions)
- 3 - All entries made in the checkbook should:
 - be immediate, so nothing is forgotten
 - be clearly written
 - be well explained (for example, it is not necessary to write "Deposit" because that is obvious by the column it is placed in, but it is necessary to explain where it came from and what it was for.)
 - keep a running checkbook balance.

- 4 - The checkbook should be reconciled monthly to the bank statement. (Bank statements and checkbooks should be kept for several years.) If you have trouble reconciling the checkbook, ask your bank for help.

The checkbook should be the official financial record of the district and should be safeguarded.

The balances, deposits and check amounts in the checkbook should be used to complete the required annual financial statements (yellow forms).

INTERNAL CONTROL

This is another fancy word for a simple but important idea. It means doing things so that no one can easily steal money or other assets, or make mistakes that will not be discovered. Internal control is meant to keep honest people honest and to protect those who handle the money and other assets. It requires that there be "checks and balances, " which means several people should be involved in the accounting. In a small district it means board members need to help out.

The following could be done by board members:

- 1 - Checks should always require two signatures - and NEVER SIGN A BLANK CHECK. We understand that's inconvenient sometimes, but signing blank checks is an open invitation to theft. Consider writing checks monthly; then both check signers are only inconvenienced once a month.
- 2 - The whole board should review the deposits and checks every quarter and ask questions if something is unclear or looks unusual.
- 3 - The monthly reconciliation of the checkbook to the bank statement should be made, or at least reviewed, by a board member who does not sign checks.
- 4 - The board members should take a healthy interest in the finances of the district by reviewing the annual financial statements and physically inspecting other assets, like pipes, trucks, lawnmowers, etc., to be sure they exist and are in good shape.

REQUIRED REPORTS

The following schedule shows which reports are required by law, when they are due, and where they should be sent:

<u>REPORT</u>	<u>WHEN DUE</u>	<u>SEND TO</u>
1. ADOPTED BUDGET	30 DAYS AFTER ADOPTION (USUALLY IN JANUARY)	STATE AUDITOR 211 STATE CAPITOL SALT LAKE CITY, UT 84114
2. FINANCIAL STATEMENTS	180 DAYS AFTER YEAR END (USUALLY BY JUNE 30)	STATE AUDITOR 211 STATE CAPITOL SALT LAKE CITY, UT 84114
3. INVESTMENT REPORT	AS REQUESTED (USUALLY TWICE A YEAR)	STATE TREASURER 215 STATE CAPITOL SALT LAKE CITY, UT 84114

The forms for these three reports are included in this manual. The forms for these reports are also sent to you every year by the same agency to whom they are due. Should you need an extra copy of any of them, we suggest that you make copies of the forms in the back of this manual.

PERSONNEL

INDEPENDENT CONTRACTOR OR EMPLOYEE?

As a potential employer, you may choose to hire an employee to get a job done, or you may hire an independent contractor. You should consider the following factors in making your decision:

1. An employee must be granted all benefits, including health insurance, retirement, etc. that are provided generally for employees by the district. An independent contractor is not paid these benefits.
2. An employer must pay social security taxes, workers compensation contributions, and unemployment insurance for an employee. No taxes or unemployment insurance are paid for an independent contractor. Workers compensation may need to be paid under some circumstances. Call the Workers' Compensation Fund at (801)288-8000 for details.
3. Firing an employee can be more difficult than canceling a contract with an independent contractor.
4. You may specify the results desired, but may not control the performance of work of an independent contractor. An employee may be given explicit directions about how, when, and where to perform a job and may be closely supervised.

5. Generally, the liability of an organization for its employee is much greater than the liability of an organization for an independent contractor.

If the choice is to hire an independent contractor, you must be certain that you do not control the contractor's performance of the job, or the Internal Revenue Service will consider the contractor an employee **regardless of the name you have given the relationship**. This means that you may specify the results you want to the independent contractor, but may not control or direct the worker with respect to his/her physical conduct in the performance of the work. For example, you may hire a landscaper and tell him/her how you want the area to look, but you cannot dictate the methods the landscaper might use to get the desired results. Finally, you must provide an independent contractor with a Form 1099, annually.

Following is a model contract between a district and a contractor. It is available for your convenience as a starting point for your entity to develop its own contract.

You will note that the contract is not all inclusive, but we believe it includes the most important and most frequently required elements. We tried to keep the model both clear and simple.

We strongly recommend that each entity tailor its contract to suit its needs. If you have a special situation, you should contact your county attorney for assistance.

CONTRACT FOR [TYPE OF SERVICES]

Contract made this _____ day of _____, 19____, between [PUBLIC ENTITY], located at [ADDRESS], hereafter referred to as Owner and [CONTRACTOR], located at [ADDRESS], hereafter referred to as Contractor.

RECITALS

- A. Owner owns and operates a [TYPE OF BUSINESS] at the address set forth above, and Owner desires to have the following services performed at [OWNER'S PLACE OF BUSINESS]: [TYPE OF SERVICES TO BE CONTRACTED FOR].
- B. Contractor agrees to perform these services for owner under the terms and conditions set forth in this contract. In consideration of the mutual promises set forth herein, it is agreed by and between Owner and Contractor:

1. DESCRIPTION OF WORK

The work to be performed by Contractor includes all services generally performed by Contractor in Contractor's usual line of business, including, but not limited to, the following:
[DESCRIPTION OF WORK TO BE PERFORMED].

2. PAYMENT

- a. Owner will pay contractor the total sum of [SUM] for the work to be performed under this contract, according to the following schedule: [SCHEDULE].

OR

- b. Owner agrees to pay Contractor for all work performed by Contractor, on completion of same, at the rate of [RATE OF PAY].

3. RELATIONSHIP OF PARTIES

The parties intend that an independent contractor-owner relationship will be created by this contract. Owner is interested only in the results to be achieved, and the conduct and control of the work will lie solely with Contractor. Contractor is not to be considered an agent or employee of Owner for any purpose, and the employees of Contractor are not entitled to any of the benefits that Owner provides for Owner's employees. It is understood that Owner does not agree to use Contractor exclusively. It is further understood that Contractor is free to contract for similar services to be performed for other owners while under contract with Owner.

4. LIABILITY

The work to be performed under this contract will be performed entirely at Contractor's risk, and Contractor assumes all responsibility for the condition of tools and equipment used in the performance of this contract. Contractor agrees to indemnify owner for any and all liability or loss arising out of Contractor's gross negligence or willful misconduct in the performance of the terms of this contract.

5. MATERIALS AND EQUIPMENT

Contractor shall furnish, at Contractor's own expense, all materials and equipment necessary to carry out the terms of this contract.

OR

Owner shall furnish all materials and equipment, to be leased to Contractor at the rate of [RATE].

6. DURATION

The contract shall remain in force for a term of _____ from the date of the signing of the contract. Either party may cancel this contract on _____ days' written notice.

7. RIGHT OF TERMINATION OF CONTRACT FOR UNREASONABLE DELAYS

In the event of a breach by the contractor of any of the provisions of this contract, or in the event of unreasonably slow progress, inattention, incompetency, or carelessness in the performance of any particular job or work contracted for by this contract, or in the event that the Contractor shall conduct the work in any manner as, in the sole opinion of the representative of the Owner, shall endanger the Owner's property or surrounding property, the Owner shall have the right to terminate the contract immediately.

8. WAIVER OR MODIFICATION OF TERMS

No waiver, alteration, or modification of any of the provisions of this agreement shall be binding unless in writing and signed by duly authorized representatives of Owner and Contractor.

9. GOVERNING LAW

This agreement shall be governed by the laws of the State of Utah.

In witness whereof, the parties have executed this agreement the day and year first above written.

Owner

Contractor

Utah Code 17A-1-601 to 603 addresses personnel matters. Generally, this part does not apply to special districts with annual revenues less than \$50,000. It does say, however, that each special district which has full-time or part-time employees shall annually review its personnel policies to ensure they conform to requirements of state and federal law.

In other words, small districts without full or part-time employees need no personnel policy. Districts with full or part-time employees need a policy.

Following is a model personnel policy. It is available for your convenience as a starting point for your entity to develop its own policy.

You will note that the policy is not all inclusive, but we believe it includes the most important and most frequently required elements. We tried to keep the model both clear and simple.

We strongly recommend that each entity tailor its policy to suit its needs. If you have a special situation, you should contact your county attorney for assistance.

PERSONNEL POLICY

1. GENERAL

The _____ District will provide fair treatment of applicants and employees in all aspects of personnel administration without regard to race, color, religion, sex, national origin, political affiliation, age or disability, and with proper regard for their privacy and constitutional rights as citizens. No class of jobs will be closed, nor will there be reduced compensation, to any individual because of the above-referenced criteria. An employee will receive at least minimum wage as a gross wage, minus the legally required deductions.

This policy complies with Title VII of the Civil Rights Act of 1964 and the Fair Labor Standards Act.

11. EMPLOYEE BENEFITS

A. Vacation

1. All full-time permanent employees earn vacation time based upon years of service. For 0-1 years, employees receive 5 days per year; for 1-3 years, employees receive 10 days per year; for 3-10 years, employees receive 15 days per year; for over 10 years, employees receive 20 days per year.
2. Vacation may not be accumulated from one year to the next.
3. Vacation must be approved by a supervisor prior to the day or days vacation is to be taken.

B. Sick Leave

1. Employees accumulate sick leave on the basis of one-half day per month. There is no limit to the number of days that can be carried over from one year to the next.
2. If employment terminates for any reason, no cash payment will be made for sick leave accumulated.
3. Sick leave may be used for personal or family sickness. A maximum of three days may be used for death in the family.

C. Holidays

The following are District holidays. Any employee working on a holiday shall receive 1 1/2 times regular wage.

New Year's Day	Civil Rights Day	President's Day
Memorial Day	Independence Day	Pioneer Day
Labor Day	Columbus Day	Thanksgiving Day
Christmas Day		

D. Health Insurance (Contact the Office of the State Auditor if you intend to provide health insurance.)

B. Retirement (Contact the Office of the State Auditor if you intend to provide retirement benefits.)

F. Travel

When it is necessary for a District employee to travel out of town on business, compensation for use of a personal vehicle will be made at a rate of twenty-five cents per mile.

Thirty dollars per day will be provided for meals, and overnight accommodations will be reimbursed upon receipt for the room. Travel arrangements must be approved by a supervisor.

111. DISCIPLINE AND GRIEVANCE PROCEDURES

A. Personal Conduct

Employees should be at their best when representing the District. The impression that an outside individual has of the District may greatly be determined by the actions of its personnel. Individuals should take pride in their personal appearance. Punctuality, willingness to be of service, and courtesy should be observed at all times. Personnel shall keep District business out of social conversation. The confidential affairs of the District are not proper subjects for public discussion. Employees may be disciplined for any conduct that discredits the District in the eyes of the public or adversely affects the efficiency, effectiveness or harmony of District functions.

B. Grievance

In the event of demotion or dismissal, the employee may appeal to the governing body of the District. An appeal is taken by filing a written grievance with the District secretary within ten days after the action on which the grievance is based. The Board will then set a date for a hearing during which evidence may be taken. The decision of the Board must be made within fifteen days of the hearing and notice mailed to the affected employee. The Board's decision is final.

IV. EMPLOYMENT CONDITIONS

A. Work Hours

The regular work week is forty hours, divided into five days, Monday through Friday. Individual work hours should be discussed and approved by a supervisor. Absenteeism or tardiness that is unexcused or excessive in the judgment of the District is grounds for disciplinary action, including dismissal.

Overtime, defined as work in excess of forty hours per week, shall be compensated at the rate of 1 1/2 times base pay.

V. SPECIAL POLICIES AND PROCEDURES

1. Accident Reporting Procedures

For the protection of the District and its personnel all accidents must be reported. All claims for damages as a result of an accident, either for or against the District, will be handled by the Manager. District personnel should not admit liability, sign statements concerning the liability of an accident or accept any settlement presented by insurance representatives for the other party.

Individuals involved in two or more motor vehicle accidents within a twelve month period, while on District business, where the individual is at fault, may be terminated.

Reporting vehicle accidents:

1. Do not move either vehicle.
2. Call the police immediately.
3. Prepare a written report within twenty-four hours and forward to the District office.

Reporting non-vehicle accidents:

1. Report all accidents or any incident in which the District could be liable to the District office immediately.
2. Prepare a written report within twenty-four hours and forward to the District office.

Worker's Compensation

1. An employee who is injured during the performance of his/her duties is covered by Utah Worker's Compensation.
2. All injuries occurring on the job must be reported to the District office.

B. Sexual Harassment

Sexual Harassment will not be tolerated in any form of quid pro quo or hostile environment harassment in any of its form:

1. sex role stereotype
2. gender discrimination or abuse
3. individual harassment
4. criminal touching

Any employee who feels that he or she is working in an unwelcome or hostile work place environment because of his or her sex should notify the District office immediately.

C. Drugs

The District will provide a drug-free workplace. The unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the District workplace and action will be taken against employees for violation of such prohibitions.

One or more of the following actions will be taken within thirty days of receiving notice with respect to any employee who is suspected or charged with, or convicted of any drug-related event: (1) action up to and including termination; or (2) require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health enforcement, or other appropriate, agency.

PURCHASING

Utah Code 17A-1-421 requires that all purchases by a district be made according to the purchasing procedures established by each district by resolution and only on an order or approval of the person duly authorized.

In other words, districts are required to have a purchasing policy which shall be followed by a duly authorized purchasing agent. There are no limitations as to who the agent may be as long as he/she is authorized to do the purchasing by the board.

Utah Code 63-56 deals with the subject of purchasing.

The following model district purchasing policy is available for your convenience as a starting point for your entity to develop its own policy.

You will note that the model is not all inclusive, but we believe it includes the most important and most frequently required elements of a procurement policy. We tried to keep the model both clear and simple.

We strongly recommend that each entity tailor its policy to suit its needs. If you would like additional information, please refer to section 63-56 of the Utah Code.

PURCHASING POLICY

ARTICLE I GENERAL PROVISIONS

A. The underlying purposes of this policy are:

1. To ensure fair and equitable treatment of all persons who wish to, or do conduct business with the _____ District.
2. To provide for the greatest possible economy in District procurement activities.
3. To foster effective broad-based competition within the free enterprise system to ensure that the District will receive the best possible service or product at the lowest possible price.

B. Compliance - Exemptions from this policy.

1. This policy shall not prevent the District from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.
2. When a procurement involves the expenditure of federal assistance funds, the District shall comply with applicable federal law and regulations.

C. Definitions.

1. "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
2. "Change order" means a written order signed by the purchasing agent, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the purchasing agent to order without the consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.
3. "Contract" means any District agreement for the procurement or disposal of supplies, services, or construction.
4. "Invitation for bids" means all documents, whether attached or incorporated by reference, used for soliciting bids.
5. "Person" means any business, individual, union, committee, club, other organization, or group of individuals.
6. "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.
7. "Purchasing agent" means the person duly authorized by the governing body of the District to enter into and administer contracts and make written determinations with respect thereto.
8. "Purchase description" means the words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to or made a part of the solicitation.
9. "Request for proposals" means all documents, whether attached or incorporated by reference, used for soliciting proposals.

ARTICLE 2
OFFICE OF THE PURCHASING AGENT

The governing body of the District shall appoint a Purchasing Agent. The Purchasing Agent shall be responsible to make procurements, solicit bids and proposals, enter into and administer contracts, and make written determinations for the District.

ARTICLE 3
SOURCE SELECTION AND CONTRACT FORMATION - GENERAL PROVISIONS

A. Purchases not requiring scaled bids.

1. Purchases costing less than \$ _____ in total, shall not require bids of any type. (Purchases shall not be artificially divided so as to constitute a small purchase under this section.)
2. Purchases costing more than \$ _____ but less than \$ _____ in total, shall require _____ (2 to 3) telephone bids.
3. Purchases made through the cooperative purchasing contracts administered by the State Division of Purchasing.
4. Purchases made from a single-source provider.
5. Purchases required during an emergency, i.e., an eminent threat to the public's health, welfare, or safety. However, as much competition as practical should be obtained: and, such purchases should be limited to amounts necessary to the resolution of the emergency.

B. Purchases requiring sealed bids.

1. Contracts shall be awarded by competitive sealed bidding except as otherwise provided by this policy.
2. An invitation for bids shall be issued when a contract is to be awarded by competitive sealed bidding. The invitation shall include a purchase description and all contractual terms and conditions applicable to the procurement. Public notice of the invitation for bids shall be given at least _____ days prior to the date set forth therein for the opening of bids. The notice may include publication in a newspaper of general circulation.
3. Any procurement in excess of \$ _____ shall require a legal notice in a local newspaper of general circulation.
4. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The amount of each bid and any other relevant information, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.
5. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids.
6. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of the District or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the purchasing agent.

7. The contract shall be awarded with reasonable promptness, by written notice, to the lowest bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

C. Cancellation and rejection of bids.

An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interests of the District. The reasons shall be made part of the contract file.

D. Use of competitive sealed proposals in lieu of bids.

When the purchasing agent determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the District, a contract may be entered into by competitive sealed proposals. Competitive sealed proposals are most appropriately used for professional service-type contracts.

1. Proposals shall be solicited through a request for proposals. Public notice of the request for proposals shall be given at least _____ days prior to the advertised date of the opening of the proposals.
2. Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals shall be prepared and shall be open for public inspection after contract award.
3. The request for proposals shall state the relative importance of price and other evaluating factors.
4. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.
5. Award shall be made to the person whose proposal is determined, in writing, to be the most advantageous to the District, taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made.

E. Architect-Engineer services are qualification-based procurements. Requests for such services should be publicly announced. Contracts should be negotiated by the District based on demonstrated competence at fair and reasonable prices. See section 63-56-42 through 44 of the Utah Code.

F. Determination of nonresponsibility of bidder.

Determination of nonresponsibility of a bidder or offeror shall be made in writing. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of nonresponsibility with respect to the bidder or offeror. Information furnished by a bidder or offeror pursuant to this section shall not be disclosed outside of the purchasing division without prior written consent by the bidder or offeror.

G. Cost-plus-a-percentage-of-cost contracts prohibited.

Subject to the limitations of this section, any type of contract which will promote the best interests of the District may be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to the District than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.

H. Required contract clauses.

1. The unilateral right of the District to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.
2. Variations occurring between estimated quantities of work in a contract and actual quantities.
3. Suspension of work ordered by the District.

ARTICLE 4
SPECIFICATIONS

All specifications shall seek to promote overall economy and best use for the purposes intended and encourage competition in satisfying the District's needs, and shall not be unduly restrictive. Where practical and reasonable, and within the scope of this article, Utah products shall be given preference.

ARTICLE 5
APPEALS

- A. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may appeal to the purchasing agent. An appeal shall be submitted in writing within 5 working days after the aggrieved person knows or should have known of the facts.
- B. The purchasing agent shall promptly issue a written decision regarding any appeal, if it is not settled by a mutual agreement. The decision shall state the reasons for the action taken and inform the protestor, contractor, or prospective contractor of the right to appeal to the governing board.
- C. The District's governing board shall be the final appeal on the District level.
- D. All further appeals shall be handled as provided in section 63-56-58 through 64 of the Utah Code.

ARTICLE 6
ETHICS IN PUBLIC CONTRACTING

- A. No person involved in making procurement decisions may have personal investments in any business entity which will create a substantial conflict between their private interests and their public duties.
- B. Any person involved in making procurement decisions is guilty of a felony if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization from any person or organization interested in selling to the District.

RECORDS (GRAMA)

Utah Code 63-2 addresses government records and the management of those records. It recognizes that the public has a right to access information regarding the conduct of the public's business and the right of privacy in relation to personal data. This means most of your records will be public.

Policy - A district may either adopt its own records policy (which must adhere to the Code's guidelines); or, it will automatically fall under the policies in the Code. Either way, the district has a policy.

Record Series - is a group of identical or related records, files, or documents created by the district that are used or filed together, and that allow you to determine retention and disposition. A district needs to identify all of their record series. For example; all deposits, checks, the check books, the bank statements, and reconciliations would be one record series.

Retention - The State Archives is available as a resource to help you with this issue. There are different retention requirements for different records series. To get help call or write to:

State Archives
Archives Building
Salt Lake City, UT 84114-1021
(801) 538-3012

Classification - indicates the level of access on your records. The district should assign a classification to each record series. There are five classifications allowed by the law: public, private, controlled, protected, and exempt. Only public records are open to the public. Some records series may have more than one classification. If you need help contact the Archives.

Fees - The district is required to adopt a uniform fee structure if it decides to charge for making copies for the public. The district could also decide whether an hourly research fee should be charged to the public. Such fees should cover costs and be reasonable.

Access - In the interest of security and keeping records in their proper place district personnel should not allow individuals to thumb through records. Requests for copies of records from the public should be specific.

FORMS

Certain forms are required to be completed by law. They will be sent to you by the State. See section "REQUIRED REPORTS" in this manual.

If you need these forms, we suggest that you make copies of the originals in the back pocket of this folder and use the copies, instead of using these originals.

PERMANENT FILES

Permanent files include vital records which should be kept for as long as they are needed by the district. They include:

- policies adopted by the board
- real estate records
- court decisions
- employment and contractor contracts
- invoices of large purchases
- agreements, and
- other papers and files that are important for legal or other reasons or may be important for reference over a long time.